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## Thailand

### Grain and Feed

### Weekly Rice Price Update

**2006**

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**Report Highlights:**

Export prices declined considerably in line with domestic prices. The Government set 2006/07 intervention prices 1,000 baht/ton (U.S.\$ 27/MT) lower for fragrant paddy and 600 baht/ton (U.S.\$ 16/MT) lower for white rice paddy.

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Includes PSD Changes: No  
Includes Trade Matrix: No  
Unscheduled Report  
Bangkok [TH1]  
[TH]

**Indicative Prices (Week Ending Oct. 30):**

Thailand: Export (FOB) Prices for various grades of rice (USD/M.T.)									
	Exporter Observations							Period Avg.	
	#1	#2	#3	#4	#5	#6	#7	CUR.	PRV.
F WR 100 B	540	510	500	453	520	475	480	497	507
WR 100 B	300	315	314	294	315	296	295	304	310
PB 5%	304	317	312	301	318	302	295	307	311
WR 5%	293	310	311	289	305	288	290	298	303
WR 10%	290	305	303	283	300	284	285	293	298
WR 15%	285	300	300	278	290	276	280	287	290
WR 25%	269	277	295	275	267	260	275	274	276
WR 35%	265	-	-	272	265	256	-	265	272
A 1 SUP	219	-	220	223	230	217	220	222	224
A 1 SPEC	217	-	218	220	228	-	218	220	223
Source: Average actual prices received from exporters, Exchange rate: 36.6 baht/U.S.\$									

**Market Tone**

Export prices declined, despite a stronger baht, due to a sharp reduction in domestic prices. The Thai baht strengthened to 36.6 baht/U.S.\$, compared to an average of 36.9 baht/U.S.\$ in the previous week. Also, some quotations are based on 36.0 baht/US\$ due to exchange fluctuations. Domestic prices of white rice and fragrant rice dropped sharply in response to lower 2006/07 intervention prices. The Government finally lowered intervention prices of 2006/07 main crop paddy from the previous year's levels by 1,000 baht/ton (US\$ 27/MT) for fragrant rice, and 600 baht/ton (US\$ 16/MT) for white rice, starting November 1, 2006 – February 28, 2007. Lower intervention prices reflected the shift of the intervention program to minimize carry-over stocks, and to avoid program losses which are up to a record 18 billion baht (US\$ 492 million) for 2004/05 – 2005/06 intervention program. New intervention prices are higher than historical three-year average market prices, but close to current market prices which are less attractive for farmers to participate in the program. Most exporters are reportedly comfortable with new intervention prices and expect a recovery in Thai rice exports to 8.0 million tons in 2007 as Thai rice will be more competitive, compared to the contraction during 2005-2006 when intervention price were set higher than domestic market prices by 20-30 percent.

**Table: 2006/07 Main Crop Paddy's Intervention Prices (15% moisture contents)**

Quality/Grade	2004/05	2005/06	2006/07
Fragrant rice (head rice = 36-42 grams)	9,700 - 10,000	9,700 - 10,000	8,700 - 9,000
White rice			
100%	6,600	7,100	6,500
5%	6,500	7,000	6,400
10%	6,400	6,900	6,300
15%	6,300	6,800	6,100
25%	6,200	6,700	5,900
Pathumthani fragrant rice	6,600	7,100	6,700 - 7,000
Glutinous rice 10% (mixed)	-	7,700	7,500
Glutinous rice (long grain)	-	7,500	7,700

Source: Department of Internal Trade, Ministry of Commerce

In addition, exporters expect that within the next two weeks the Government will gradually release intervention stock of around 3.7 million tons, of which around 3.0 million tons are

white rice, and 0.7 million tons are fragrant rice. Meanwhile, foreign demand is presently quiet as prices are expected to decline further due to anticipated ample exportable supplies from government stocks and new crop harvest in mid-November.

The Thai Agriculture Ministry has increased its estimate of the flood-damaged crop area to 5.2 million rai (0.8 million hectare) due to more damage in the central northeast provinces. However, exporters are still optimistic about this year's production even in the damaged areas, as production is expected to recover due to re-planting in some major growing areas.

**The following are the reported rice exports (as is basis):**

WEEK ENDING	QUANTITY	4-WK AVG	YEAR TO DATE	YEAR AGO	YEAR TO DATE AS % OF LAST YEAR
	(MT)	(MT)	(TMT)	(TMT)	%
SEP 10	98,168	90,893	3,278	3,589	-8.7
SEP 17	111,044	98,750	3,389	3,683	-8.0
SEP 24	109,071	100,545	3,498	3,773	-7.3
OCT 1	86,993	101,319	3,585	3,882	-7.7
OCT 8	81,818	97,231	3,667	3,950	-7.4
OCT 15	98,876	94,189	3,766	4,031	-6.6
OCT 22	128,190	98,969	3,894	4,150	-6.2
OCT 29	110,512	104,849	4,005	4,263	-6.1

*Note on data: Export figures since March 22, 2002, do not include fragrant rice. The authority to report fragrant rice exports was moved from the Thai Board of Trade to the Ministry of Commerce's Office of Commodity Standards, which does not release official fragrant rice export data. FAS/BKK will report only official export numbers from the Board of Trade for non-fragrant and from the Office of Commodity Standards for fragrant rice when available, but the reader should bear in mind the difference between the data.*

Unofficial exports (excluding fragrant rice) for Oct. 23-29, 2006 totaled 110,512 tons, down 17,678 tons from the previous week's total, and up 5,663 tons from the four-week moving average of 104,849 tons. Exports during Jan. 1 – Oct. 29, 2006 totaled 4,004,602 tons, as compared with 4,263,219 tons in the previous year.

According to the Department of Foreign Trade, Ministry of Commerce, total rice exports (including fragrant rice) during Jan. 1 – Oct. 19, 2006, amounted to 5,807,813 tons, up slightly from 5,788,811 tons in the previous year.

**Weekly Rice Sales**

Private registered rice export sales for the period of Oct. 9-13, Oct. 16-20, and Oct. 23-27, 2006 are as follows:

Movement (MT)	Oct. 9-13	Oct. 16-20	Oct. 23-27
weekly sales	79,306	153,326	240,028
4 week sum	312,139	382,780	554,655
4 week mov. avg.	78,035	95,695	138,664
Total weekly sales	4,597,472	4,750,798	4,990,826

End of Report.